

First Steps Referral and Consulting, LLC**Financial Report****Years Ended June 30, 2013 and 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **DEC 11 2013**

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INDEPENDENT AUDITORS' REPORT

First Steps Referral and Consulting, LLC
New Iberia, Louisiana

We have audited the accompanying financial statements of First Steps Referral and Consulting, LLC (a limited liability company), which comprise the balance sheet as of June 30, 2013 and 2012, and the related statements of income, member's equity, and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of First Steps Referral and Consulting, LLC, as of June 30, 2013 and 2012, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2013, on our consideration of First Steps Referral and Consulting, LLC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 29, 2013

FINANCIAL STATEMENTS

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Balance Sheets
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash	\$ 82,414	\$ 51,108
Receivables -		
Department of Health and Hospitals	80,477	144,331
Due from employee	26	26
Prepaid expenses	<u>4,104</u>	<u>4,764</u>
Total current assets	167,021	200,229
 Furniture, fixtures, and equipment, net	 3,701	 6,479
 Other assets		
Deposits	<u>215</u>	<u>215</u>
Total assets	<u>\$ 170,937</u>	<u>\$ 206,923</u>
 LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	\$ 9,674	\$ 9,668
Accrued expenses	505	790
Loans payable to employees	20,000	20,000
Other accrued liabilities	<u>9,062</u>	<u>8,721</u>
Total current liabilities	39,241	39,179
 Long-term debt	 <u>92,342</u>	 <u>104,215</u>
Total liabilities	131,583	143,394
 Member's equity	 <u>39,354</u>	 <u>63,529</u>
Total liabilities and member's equity	<u>\$ 170,937</u>	<u>\$ 206,923</u>

The accompanying notes are an integral part of this statement

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Statements of Income
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
REVENUE		
Federal grants -		
Department of Health and Hospitals	\$ 1,003,247	\$ 928,714
Consulting revenue	13,962	16,429
Interest income	-	27
Total revenue	<u>1,017,209</u>	<u>945,170</u>
EXPENSES		
Administrative cost	79,941	51,785
Copier rental	7,183	6,359
Consulting	13,982	8,689
Depreciation	3,278	4,399
Health insurance/stipend	45,040	36,393
Insurance	27,439	21,354
Mailing	8,031	15,149
Maintenance	1,600	1,329
Office rent	12,720	12,720
Office supplies	20,149	17,558
Payroll taxes	51,871	48,341
Professional fees	13,776	13,000
Salaries	556,162	513,944
Simple IRA plan	17,488	15,963
Telephone and utilities	18,717	19,970
Travel	46,195	46,249
Total expenses	<u>923,572</u>	<u>833,202</u>
Net income before other expenses	<u>93,637</u>	<u>111,968</u>
OTHER EXPENSES		
Loss on disposal	944	-
Interest expense	6,201	5,839
Total other expenses	<u>7,145</u>	<u>5,839</u>
NET INCOME	<u>\$ 86,492</u>	<u>\$ 106,129</u>

The accompanying notes are an integral part of this statement

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Statements of Changes In Member's Equity
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 63,529	\$ 94,345
Net income	86,492	106,129
Distribution to member	<u>(110,667)</u>	<u>(136,945)</u>
Balance, end of year	<u>\$ 39,354</u>	<u>\$ 63,529</u>

The accompanying notes are an integral part of this statement.

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Net income	\$ 86,492	\$ 106,129
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	3,278	4,399
Loss on disposal	944	-
Changes in operating assets and liabilities -		
Decrease in due from Department of Health and Hospitals	63,854	31,340
Decrease in due from Office of Family Support	-	22,400
Decrease in due from employee	-	1,317
Decrease in prepaid expenses	660	3,709
Increase (decrease) in accounts payable	6	(16,173)
Decrease in accrued expenses	(285)	(428)
Increase (decrease) in other accrued liabilities	341	(580)
Net cash provided by operating activities	<u>155,290</u>	<u>152,113</u>
Cash flows used by investing activities		
Acquisition of furniture, fixtures, and equipment	<u>(1,444)</u>	<u>-</u>
Net cash used by investing activities	<u>(1,444)</u>	<u>-</u>
Cash flows used by financing activities		
Proceeds from line of credit	426,800	238,000
Principal payments - line of credit	(438,673)	(211,804)
Distribution to member	<u>(110,667)</u>	<u>(136,945)</u>
Net cash used by financing activities	<u>(122,540)</u>	<u>(110,749)</u>
Increase in cash and cash equivalents	31,306	41,364
Cash and cash equivalents, beginning of year	<u>51,108</u>	<u>9,744</u>
Cash and cash equivalents, end of year	<u>\$ 82,414</u>	<u>\$ 51,108</u>
Supplemental disclosure for the statement of cash flows		
Interest paid	<u>\$ 6,201</u>	<u>\$ 5,839</u>

The accompanying notes are an integral part of this statement

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A Nature of Business

First Steps Referral and Consulting, LLC (the Organization) provides System Points of Entry (SPOE) services within the parishes of Allen, Beauregard, Jeff Davis, Lafayette, Iberia, St Martin, Vermillion, St Landry, Evangeline, Acadia, Cameron and Calcasieu for Louisiana's early intervention system – Childnet (Part C) and its eligible infants and toddlers from birth to three as regulated under Part C of the Individuals with Disabilities Education Act (IDEA) In addition, the Organization provides professional consulting services to third parties The Organization began operations in 2003 and is supported almost entirely through contracts with Department of Health and Hospitals

B Revenue and Expense Recognition

The Organization recognizes revenues as reimbursable expenses incurred under the contracts Consulting revenue is recognized upon performance of services Expenses are recognized as they are incurred

C Receivables

The Organization considers amounts recorded as receivables to be fully collectible Accordingly, no allowance for doubtful accounts is required

D Concentration of Credit Risk

The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage up to \$250,000 for cash on deposit at each institution. In the event of a failure of the institution, the FDIC is not obligated to pay uninsured deposits The Company's balance, at times, may exceed federally insured limits At June 30, 2013 and 2012, the Organization had no uninsured balances

Contract revenue from Department of Health and Hospitals accounted for ninety-nine percent and ninety-eight percent of the Organization's revenues for the years ended June 30, 2013 and 2012, respectively

E Furniture, Fixtures, and Equipment

Furniture, fixtures, and equipment are stated at cost Depreciation is computed using the straight-line method over the useful lives of the assets for financial reporting purposes Significant additions and betterments are capitalized. Expenditures for maintenance, repairs and minor renewals are charged to operations as incurred The estimated lives are as follows

Furniture and fixtures	7 years
Equipment	5 years

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Notes to Financial Statements (Continued)

F Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents

G Compensated Absences

Each employee earns annual leave of 80 hours per year. Any amount not used by December 31st of the year earned is lost. Unused annual leave is paid to an employee upon retirement or resignation at the hourly rate being earned by that employee at separation.

H Income Taxes

The Organization has elected to be taxed as a limited liability company for federal and state income tax purposes. The sole member has consented to include her pro rata share of the Organization's income or loss in her individual tax return. Accordingly, no provisions for federal and state income taxes were made in the accompanying financial statements.

I Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(2) Furniture, Fixtures, and Equipment

The following is a summary of furniture, fixtures, and equipment as of June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Furniture and fixtures	\$ 2,384	\$ 2,384
Equipment	<u>18,814</u>	<u>23,178</u>
	21,198	25,562
Less accumulated depreciation	<u>(17,497)</u>	<u>(19,083)</u>
	<u>\$ 3,701</u>	<u>\$ 6,479</u>

Depreciation expense for the years ended June 30, 2013 and 2012 was \$3,278 and \$4,399, respectively.

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Notes to Financial Statements (Continued)

(3) Loans Payable to Employees

Loans payable to employees at June 30, 2013 and 2012 consist of the following

	<u>2013</u>	<u>2012</u>
Unsecured loan payable to Sarah Hill, member's sister, due on demand, interest rate of 5.98%	<u>\$20,000</u>	<u>\$20,000</u>

(4) Other Accrued Liabilities

Other accrued liabilities consist of the following for the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Compensated absences	\$ 4,864	\$ 7,523
Deferred revenue	3,000	-
Interest	<u>1,198</u>	<u>1,198</u>
	<u>\$ 9,062</u>	<u>\$ 8,721</u>

Deferred revenue consists of a donation received during the fiscal year that was unspent at June 30, 2013

(5) Long-Term Debt

Long-term debt at June 30, 2013 and 2012 consist of the following

	<u>2013</u>	<u>2012</u>
Under the terms of a bank working capital line of credit agreement dated February 19, 2008, the Organization may borrow up to \$125,000 with interest due monthly, varying at the prime rate of interest for 10 years, at which time the draw period matures. The interest rate was 6.95% at June 30, 2013 and 2012. The line is secured by a continuing security interest in all assets owned by the Organization. The Company had \$32,658 and \$20,785 of unused line of credit at June 30, 2013 and 2012, respectively	<u>\$92,342</u>	<u>\$ 104,215</u>

Interest expense for the years ended June 30, 2013 and 2012 amounted to \$5,002 and \$4,643, respectively

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Notes to Financial Statements (Continued)

(6) Related Party Transactions

Borrowings include \$20,000 from Sarah Hill, Member's sister at June 30, 2013 and 2012 bearing an interest rate of 5.98%. Interest expense on this loan for the years ended June 30, 2013 and 2012 amounted to \$1,199 and \$1,196, respectively. Accrued interest as of June 30, 2013 and 2012 was \$1,198.

(7) Operating Leases

The Organization currently leases their main office in New Iberia, Louisiana for \$1,000 a month under a lease expiring November 30, 2013. The organization leases additional office space located in Lake Charles, Louisiana for \$60 a month under a lease expiring June 30, 2013 with the option to renew for a period of one year. Lease expense for the years ended June 30, 2013 and 2012 totaled \$12,720.

Future minimum lease payments are as follows:

2013	<u>\$ 5,720</u>
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(8) Employee Retirement Benefits

The Organization has a SIMPLE IRA plan for employees starting ninety days after employment. The Company contributes 3% of employees' annual salary. Contributions made for the years ended June 30, 2013 and 2012 totaled \$17,488 and \$15,963, respectively.

(9) Subsequent Event Review

The Organization's management has evaluated subsequent events through October 29, 2013, the date which the financial statements were available to be issued.

**INTERNAL CONTROL
AND
COMPLIANCE**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

First Steps Referral and Consulting, LLC
 New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the the financial statements of First Steps Referral and Consulting, LLC (the Organization) as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated October 29, 2013

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying summary schedule of current year audit findings and management's corrective action plan as item 13-1 (IC) to be a significant deficiency

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Organization's Response to Findings

The Organization's response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 29, 2013

SINGLE AUDIT

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

First Steps Referral and Consulting, LLC
 New Iberia, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the compliance of First Steps Referral and Consulting, LLC (the Organization) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2013. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on the Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance the types of compliance requirements referred to above. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 29, 2013

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Department of Education - Louisiana Department of Health and Hospitals Louisiana Early Intervention System	84 181	\$ 1,003,247

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Note to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of First Steps Referral and Consulting, LLC and is presented on the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Part I Summary of Auditor's Results

- 1 An unqualified report was issued on the financial statements
- 2 A significant deficiency in internal control was disclosed by the audit of the financial statements
This deficiency was not considered a material weakness
- 3 No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with Governmental Auditing Standards, were disclosed during the audit
- 4 No material weaknesses in internal control over the major program were disclosed by the audit of the financial statements
- 5 An unqualified opinion was issued on compliance for the major program
- 6 The major program was U S Department of Education – passed through Louisiana Department of Health and Hospitals - Louisiana Early Intervention System – CFDA No 84 181
- 7 The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000
- 8 The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133

Part II Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards

Compliance Findings –

There were no compliance findings for the year ended June 30, 2013

Internal Control Findings –

See item 13-1(IC) in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan

Part III Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133

Compliance Findings –

There are no findings that are required to be reported under the above guidance

Internal Control Findings –

There are no findings that are required to be reported under the above guidance

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2013

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
CURRENT YEAR (06/30/13) --						
<u>Internal Control</u>						
13-1 (IC)	6/30/2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes	N/A	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interests of the Organization to outsource this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation	Mary Hockless, Director	N/A

Compliance

There were no compliance findings for the year ended June 30, 2013

(continued)

FIRST STEPS REFERRAL AND CONSULTING, LLC
New Iberia, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2013

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
PRIOR YEAR (06/30/12) --						
<u>Internal Control</u>						
12-1 (IC)	6/30/2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes	N/A	The Organization has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interests of the Organization to outsource this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation	Mary Hockless, Director	N/A

Compliance

There were no compliance findings for the year ended June 30, 2012